

SALES TAX REBATE OF STATE SALES TAX FOR ALL-STAR BALLPARK HEAVEN

Prior Law

None.

New Provisions

Iowa Code section 423.2, subsection 11 was amended to create a state sales tax rebate provision. The new law provides that a newly-created baseball and softball tournament facility and movie site ("facility and site") may apply for a rebate of sales tax imposed by retailers on the sales of any goods, wares, merchandise, admission tickets, or services furnished to purchasers at the facility and site.

To be eligible for the rebate, all of the following must occur:

1. The facility and site must be located on a maximum of 279 acres.
2. The facility and site must be located inside or within three miles of the city limits of a city with a population of at least 4,000 but not more than 5,500 residents, which city is located in a county with a population of at least 93,000, but not more than 100,000 residents.
3. The construction on the facility and site must begin not later than July 1, 2013.
4. The cost of the construction upon completion must be at least \$38 million.
5. The owner or operator of the facility and site must be a for-profit legal entity where more than 51% of its equity interests are owned by individuals who are residents of Iowa, an Iowa corporation, or a combination of both and must be primarily a promoter of baseball and softball tournaments.
6. There must not be a change of control. If there is a change of control, the rebate of sales tax will stop. A change of control occurs if:
 - a. More than 51% ownership of the equity interests in the original or subsequent legal entity that is the owner of the facility and site ceases to be owned by individuals who are residents of Iowa, an Iowa corporation, or a combination of both.
 - b. The original owners of the legal entity that is the owner or operator of the facility and site collectively ceases to own more than 50% of the voting equity interests of the legal entity or otherwise ceases to have effective control of the legal entity.

To obtain a rebate, the facility and site must do all of the following:

1. File a rebate form with the Department, within a time period prescribed by the department, which time period will not be longer than quarterly.
2. Provide all information the Department deems necessary.

3. Request the rebate for sales tax collected on or after January 1, 2014, but before January 1, 2024. However, the cumulative rebate amount is capped at \$16.5 million for the entire rebate period.
4. The facility and site must provide the Department with the identities of retailers located at the facility and site. For the purposes of this program, the Department considers advance ticket and admission sales as occurring at the facility and site regardless of where the transactions actually occur.

Only state sales tax is subject to rebate; local option taxes are not impacted.

The Department of Revenue will credit amounts equal to the sales tax paid by purchasers on tangible personal property and services at the facility and site. The Department will perform the fund transfer to ensure that the following taxes are held harmless:

- Local Option Sales and Services tax (LOST).
- Three-eighths of one percent of any future sales tax rate increase. This amount is constitutionally committed to the Natural Resources and Outdoor Recreation Trust Fund.
- Secure an Advanced Vision for Education (SAVE).

Sections Amended

Section 2 of 2012 Iowa Acts Senate File 2329 amends section 423.2, subsection 11, Code Supplement 2011. Section 3 of Senate File 2329 amends section 423.4, Code Supplement 2011, by adding new subsection 10.

Effective Date

July 1, 2012